

**Risk Management Fund / 5520**

Category	2002 Actual <sup>1</sup>	2003 Adopted	2003 Revised	2004 Proposed	2005 Projected	2006 Projected
<b>Beginning Fund Balance</b>	16,094,723	9,651,521	9,237,320 <sup>3</sup>	6,311,829	2,353,456	784,485
* Interfund Charges	16,126,651	20,133,660	20,133,661	22,029,712	28,709,054	32,848,693
* Interest Income	2,060,565	1,448,065	1,448,065	1,230,341	1,254,948	1,280,047
<b>Total Revenues</b>	<b>18,187,216</b>	<b>21,581,725</b>	<b>21,581,726</b>	<b>23,260,053</b>	<b>29,964,002</b> <sup>8</sup>	<b>34,128,740</b> <sup>8</sup>
<b>Expenditures</b>						
* Claims Costs(limited to first \$1 million)	(6,650,247)	(12,195,021)	(12,195,021)	(12,679,997) <sup>7</sup>	(14,514,666) <sup>7</sup>	(15,240,399) <sup>7</sup>
* Insurance Premiums	(6,773,525)	(7,775,546)	(7,775,546)	(9,719,899)	(11,663,879)	(13,996,655)
* Prosecutors, Claim Adjustment & Program OH	(3,925,364)	(3,877,284)	(3,971,670)	(3,368,072)	(3,880,638)	(4,100,997)
* Transfers to Other Funds (MARF)	(266,920)	(274,928)	(274,928)	(274,928)	(296,922)	(320,676)
* Encumbrance Carryover			(94,386)			
<b>Total Expenditures</b>	<b>(17,616,056)</b>	<b>(24,122,779)</b>	<b>(24,311,551)</b>	<b>(26,042,896)</b>	<b>(30,356,105)</b> <sup>7</sup>	<b>(33,658,727)</b> <sup>7</sup>
<b>Other Fund Transactions</b>						
* Adjustments for Incurred Losses	(7,334,177) <sup>2</sup>	(195,666)	(195,666)	(1,175,530)	(1,176,868)	(1,254,498)
* Encumbrances	(94,386)					
Total Other Fund Transactions	(7,428,563)	(195,666)	(195,666)	(1,175,530)	(1,176,868)	(1,254,498)
<b>Ending Undesignated Fund Balance</b>	<b>9,237,320</b>	<b>6,914,801</b>	<b>6,311,829</b>	<b>2,353,456</b>	<b>784,485</b>	<b>-</b>
<b>CATASTROPHIC LOSS RESERVES</b>						
<b>Beginning Cash Balance</b>	14,747,545	16,342,349	16,342,349	16,606,160	16,950,818	17,486,592
<b>Revenues</b>						
* Brighton Insurance Recoveries Allocated to Solid Waste			(122,500)			
* Insurance Recoveries (Aurora & Brighton)	1,216,746					
* Interest Income	575,675	491,470	408,559	367,574	559,377	725,694
* Other Adjustments	5,004					
<b>Total Revenues</b>	<b>1,797,425</b>	<b>491,470</b>	<b>286,059</b>	<b>367,574</b>	<b>559,377</b>	<b>725,694</b>
<b>Expenditures <sup>4</sup></b>						
* Claims Costs Aurora (2002)	(21,600) <sup>4</sup>		(22,248)	(22,915)	(23,603)	
* Claims Costs Brighton (2002)	(4,940) <sup>4</sup>		-			
* Others						
<b>Total Expenditures</b>	<b>(26,540)</b>		<b>(22,248)</b>	<b>(22,915)</b>	<b>(23,603)</b>	<b>-</b>
<b>Ending Fund Balance</b>	16,518,430	16,833,819	16,606,160	16,950,818	17,486,592	18,212,286
<b>Reserves &amp; Designations</b>						
* Reserved for Losses Over \$1 Million	(18,536,000) <sup>5</sup>	(16,277,000) <sup>5</sup>	(16,277,000) <sup>5</sup>	(16,439,770) <sup>5</sup>	(16,604,168) <sup>5</sup>	(17,434,376) <sup>5</sup>
<b>Ending Undesignated Fund Balance</b>	<b>(2,017,570)</b>	<b>556,819</b>	<b>329,160</b>	<b>511,048</b>	<b>882,425</b>	<b>777,910</b>

**Financial Plan Notes:**

In general, this financial plan is most significantly affected by annual updates to actuarial estimates of incurred claims.

This financial portrayal of the Insurance Fund is based on the 2001 actuarial study that revised estimates of losses for policy years 1990 - 2002

1. Per 2002 ARMS due to limitations of CAFR in relation to claims.

2. Difference between 2001 actuarial estimate of incurred losses vs. actual claims expenditures for limited losses.

3. The 2002 revised beginning fund balance reflects the changes from 2001 to 2002 actuary's estimate for incurred liability.

4. Cat loss exp. >\$1.0 mil threshold: Aurora (\$285,057); Brighton (\$4,940);

5. Per actuarial estimate -- assuming \$2.5 mil. self-insured-retention (SIR)

6. Interest Income Assumptions: 2.5% in 2003, 2.25% in 2004; 3.3% in 2005, 4.1% in 2006

7. Per actuary's estimate (based on past claims and other factors) annual claims expenditures (5% increase in 2005 and 2006). Overall increase in total expenditures is 17% in 2005 and 11% in 2006

8. Required revenue levels to derive zero fund balance in 2006. (24% increase in 2005 and 16% in 2006)